

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7622**

**BILL NUMBER:** HB 1392

**DATE PREPARED:** Jan 4, 2001

**BILL AMENDED:**

**SUBJECT:** Indiana Affordable Housing Fund.

**FISCAL ANALYST:** Sherry Fontaine

**PHONE NUMBER:** 232-9867

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill specifies that the Housing Trust Fund and the Indiana Affordable Housing Fund are not part of the State Treasury. The bill allows the Indiana Housing Finance Authority, rather than the Treasurer of State, to invest certain money in the funds. The bill allows the Authority to distribute money from the Indiana Affordable Housing Fund directly to the Housing Trust Fund, rather than having to distribute the money first to the Treasurer of State. Instead of requiring a monthly distribution from the Affordable Housing Fund to the Housing Trust Fund, the bill requires the Authority to distribute money in a timely manner after the money is received into the Affordable Housing Fund.

This bill also provides that the purpose of the Affordable Housing Fund is to provide grants only, rather than grants and loans, to eligible entities for the establishment of Local Housing Trust Funds. It provides that if an eligible entity has a population of less than 2,500, it shall appoint only one member, instead of five, to represent the community at large on its Affordable Housing Fund Advisory Committee. It also eliminates the requirement that the Authority adopt administrative rules, and allows the Authority to adopt written policies and procedures, subject to public notice and comment, governing the administration of the Affordable Housing Fund.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill specifies that the Indiana Affordable Housing Fund and the Housing Trust Fund are not part of the State Treasury. The Housing Finance Authority is responsible for administering the Fund. The cost of administering the Fund is to be paid from money in the Fund. The bill also allows the Indiana Housing Finance Authority, rather than the Treasurer of State, to invest certain money in the funds.

The bill redefines the purpose of the Fund as one of providing grants, rather than grants and loans, to eligible entities for the establishment of Local Housing Trust Funds. Local Housing Trust Funds provide funding for

programs that do any of the following:

- (1) Provide financial assistance in the form of grants, loans, and loan guarantees, to lower income families for the purchase of affordable housing.
- (2) Provide rent and rent supplements to lower income families.
- (3) Provide loans or grants for the acquisition, construction, rehabilitation, development, operation, and insurance of affordable housing for lower income families.

**Explanation of State Revenues:** The bill provides for changes that will enable the Indiana Housing Authority to do the following:

- (1) Allow the Authority to distribute money from the Indiana Affordable Housing Fund directly to the Housing Trust Fund, rather than having to distribute the money first to the Treasurer of State.
- (2) Instead of requiring a monthly distribution from the Affordable Housing Fund to the Housing Trust Fund, the bill requires the Authority to distribute money in a timely manner after the money is received into the Affordable Housing Fund.
- (3) Eliminates the requirement that the Authority adopt administrative rules, and allows the Authority to adopt written policies and procedures, subject to public notice and comment, governing the administration of the Affordable Housing Fund.

The Fund consists of appropriations from and other funds approved by the General Assembly, gifts and grants to the Fund, and investment income earned. Any money at the end of the fiscal year does not revert to the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill adds the provision that if an eligible entity has a population of less than 2,500, it shall appoint only one member, instead of five, to represent the community at large on its Affordable Housing Fund Advisory Committee.

**State Agencies Affected:** Indiana Housing Finance Authority; Treasurer of the State.

**Local Agencies Affected:** Entities eligible to receive funding from the Indiana Affordable Housing Fund.

**Information Sources:**